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7                   **UNITED STATES DISTRICT COURT**  
8                   **WESTERN DISTRICT OF WASHINGTON**  
9                   **AT TACOMA**

10 DISCOVERORG DATA, LLC,

11                   Plaintiff,

12                 v.

13 QUANTUM MARKET  
14 RESEARCH, INC.,

15                   Defendant.

Case No. 3:19-cv-05656

**COMPLAINT**

**JURY DEMAND**

16                   Plaintiff DiscoverOrg Data, LLC (“DiscoverOrg”), for its complaint against  
17 Quantum Market Research, Inc. (“Quantum”), alleges as follows:

18                   At its core, this case is very straightforward. DiscoverOrg is in the business of  
19 providing highly-accurate information for business-to-business sales and marketing.  
20 DiscoverOrg invests millions of dollars annually to build and maintain this database, and  
21 DiscoverOrg’s customers pay tens and hundreds of thousands of dollars per year to  
22 access this information. Quantum stole access to DiscoverOrg information (about 9,300  
23 records) and used them for its own sales and marketing, without paying DiscoverOrg any  
24 licensing fees. Of course, if everyone used DiscoverOrg’s data without paying for it,  
25 DiscoverOrg would not exist, nor would the compilation of data that Quantum stole.  
26

1 Quantum has enjoyed a free ride, not just on DiscoverOrg, but on the approximately  
 2 4,000 DiscoverOrg clients who pay for the right to access and use this highly-valuable  
 3 information.

4 **PARTIES**

5 1. DiscoverOrg is a Delaware limited liability company with its principal place of  
 6 business in Vancouver, Washington.

7 2. Quantum is a Delaware corporation with a principal place of business in the  
 8 State of Nebraska and does business in the State of Washington.

9 **JURISDICTION AND VENUE**

10 3. This Court has subject matter jurisdiction under 18 U.S.C. §§ 1331 and  
 11 1338(a) and (b) because DiscoverOrg asserts claims arising under Federal Law. This court  
 12 also has supplemental jurisdiction for the state law claims pursuant to 28 U.S.C. § 1337.

13 4. This court has personal jurisdiction over Quantum, and venue is properly laid  
 14 in this district court pursuant to 28 U.S.C. § 1331 and 28 U.S.C. § 1333(a), in that  
 15 Quantum transacts business in this state and has committed tortious acts within this state.  
 16 See RCW 4.28.185. Additionally, on information and belief, Quantum advertises its  
 17 products and services within the State of Washington, directs its products and services  
 18 through the stream of commerce into the State of Washington, or otherwise has sufficient  
 19 minimum contacts with the State of Washington so as to be subject to the personal  
 20 jurisdiction of its courts.

21 **FACTS AND ALLEGATIONS**

22 **A. DiscoverOrg's Database**

23 5. DiscoverOrg is a provider of business-to-business ("b2b") marketing data,  
 24 which it delivers to clients via a password-secured, online graphical user interface.  
 25 DiscoverOrg uses technology, computers, and electronic communication systems to  
 26 provide subscribers with access to its database of marketing information profiling

1 businesses in the United States and globally. DiscoverOrg has been recognized as an  
2 industry leader in sales and marketing intelligence. The depth, breadth, and accuracy of  
3 DiscoverOrg's database is unrivaled in the marketplace.

4       6. DiscoverOrg has invested tens of millions of dollars to develop and maintain  
5 the infrastructure and content of its database and ensure that it is of the highest quality.  
6 DiscoverOrg employs approximately 200 research analysts focused on building,  
7 managing, and updating DiscoverOrg's database, in order to deliver timely and  
8 comprehensive data being made available to DiscoverOrg's clients. DiscoverOrg has  
9 expended substantial labor, time, resources, effort, and money to select, gather, collect,  
10 organize, generate, arrange, and disseminate the timely and continuously updated  
11 information DiscoverOrg provides in its database. In total, DiscoverOrg employs more  
12 than 450 people and has made significant investment in developing and purchasing  
13 software, hardware, and other equipment to continuously update and support the  
14 accuracy and comprehensiveness of its database. DiscoverOrg's database exhibits  
15 DiscoverOrg's decisions and input as to the selection, arrangement, orchestration,  
16 compilation, and presentation of the organizational charts, contacts, and other  
17 information collected and assembled by DiscoverOrg's analysts.

18       7. DiscoverOrg's database is valuable to companies like Quantum, who benefit  
19 from the use of detailed information in their efforts to market their own products and  
20 services. DiscoverOrg has provided licensed, subscription access to its database to  
21 approximately 4,000 companies, who pay licensing fees for the right to access and use  
22 DiscoverOrg's database.

23       8. The value of DiscoverOrg's database is related to and dependent upon its  
24 proprietary and non-public nature. DiscoverOrg takes steps to protect the security of the  
25 information contained in its database. For example, DiscoverOrg limits access to its  
26 database to only authorized users pursuant to restrictive license agreements.

1 DiscoverOrg's database is password-protected, and DiscoverOrg utilizes mail monitoring  
2 and list protection to further secure and ensure the integrity of DiscoverOrg's database.

3 **B. Quantum's Wrongful Conduct**

4       9. Instead of acquiring a license from DiscoverOrg, Quantum, without  
5 authorization from DiscoverOrg, obtained and used passwords and login credentials  
6 issued to other DiscoverOrg clients in order to access DiscoverOrg's proprietary  
7 information and used it to sell Quantum products. If everyone did what Quantum did,  
8 DiscoverOrg would not exist as a business, and the information misappropriated by  
9 Quantum would not be available to anyone. Quantum has sought to enjoy a free ride off of  
10 the license fees paid by DiscoverOrg's legitimate customers, whose payments allow  
11 DiscoverOrg to continue to provide this service and make the investments needed to  
12 maintain DiscoverOrg's database and related infrastructure. Three IP addresses linked to  
13 Quantum carried out the actions discussed below.

14       10. During the month of November of 2017, Quantum accessed DiscoverOrg's  
15 database via its online user interface, running searches and viewing the proprietary  
16 information displayed therein. During that period, Quantum downloaded over 9,300  
17 records from DiscoverOrg's database. The information wrongfully accessed was  
18 commercially exploited by Quantum for its sales and marketing purposes, including  
19 conducting email marketing campaigns using the misappropriated information.

20       11. Quantum acted knowingly, intentionally, and willfully in accessing  
21 DiscoverOrg's computer and electronic communication system without authorization  
22 and in viewing and downloading DiscoverOrg's proprietary, copyrighted information.  
23 Quantum circumvented DiscoverOrg's security system and unlawfully accessed  
24 DiscoverOrg's database to gain the commercial benefit thereof without compensating  
25 DiscoverOrg. Quantum's unauthorized use of DiscoverOrg's proprietary information has  
26 furthered Quantum's financial interest by facilitating the identification and contact of

1 potential new customers and business opportunities, among other uses, and Quantum has  
2 wrongfully profited therefrom.

3        12. Quantum has further intentionally interfered with the contractual relationship  
4 between DiscoverOrg and one or more licensees of DiscoverOrg's data. Quantum knew  
5 that DiscoverOrg's data was non-public and proprietary and subject to restrictive license  
6 agreements prohibiting transfer to third parties like Quantum. Nevertheless, Quantum  
7 knowingly encouraged authorized users of DiscoverOrg data to violate these license  
8 agreements by providing Quantum with DiscoverOrg's proprietary data. Quantum did so  
9 to gain the commercial benefit of DiscoverOrg's data without compensating DiscoverOrg.  
10 Quantum has wrongfully profited from these activities and has harmed DiscoverOrg by  
11 diminishing the market value of DiscoverOrg's database.

13. At all relevant times, Quantum had a duty to train and supervise the conduct  
of its employees and agents acting on its behalf. Quantum was negligent in failing to train  
and monitor its employees and agents adequately and in failing to have appropriate  
policies in place regarding unauthorized access to computer systems, communication,  
storage networks, and copyrighted works and trade secrets and/or failing to enforce such  
policies.

18        14. All actions herein alleged to have been done by Quantum were, upon  
19 information and belief, performed by employees or other agents of Quantum within the  
20 scope of their employment or other agency relationship with Quantum, on Quantum's  
21 behalf, and for Quantum's benefit.

## **FIRST CLAIM FOR RELIEF**

**(Theft of Trade Secrets - 18 U.S.C. § 1836 *et seq.*)**

24        15. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1  
25 through 14.

1       16. DiscoverOrg gathers, organizes, generates, collects, and assembles in-depth,  
2 commercially-valuable information (including reporting structures, contact information,  
3 and other data) expending substantial time, labor, and expense. DiscoverOrg's database  
4 and the information contained therein comprise a compilation of business information.  
5 Information from DiscoverOrg's database is used in interstate commerce.

6       17. The compilation of information in DiscoverOrg's database derives  
7 independent economic value from not being generally known to, and not being readily  
8 ascertainable through proper means by, those who are not licensed by DiscoverOrg to  
9 access the database. Non-licensees can obtain economic value from the disclosure or use  
10 of the information in DiscoverOrg's database.

11       18. DiscoverOrg has taken reasonable measures to protect and keep the  
12 information in its database secret by limiting access to those customers who agree to the  
13 terms of the access in the licensing agreement and requiring password authentication to  
14 access the database through its secure online portal. DiscoverOrg also does its best to  
15 monitor access to the database and use of its information to further ensure its security.

16       19. Quantum used improper means, including theft, unauthorized access to a  
17 protected computer, and inducement to breach a duty to maintain secrecy, to obtain  
18 access to and acquire information from DiscoverOrg's database. Quantum knew or had  
19 reason to know at the time it obtained, and at the times it used, DiscoverOrg information  
20 that such information was obtained from persons owing DiscoverOrg a duty to maintain  
21 the secrecy thereof.

22       20. Quantum attempted to and did knowingly and without authorization  
23 download, copy, and duplicate information from DiscoverOrg's proprietary database.  
24 Quantum received and possessed information from DiscoverOrg's proprietary database  
25 that Quantum knew to have been converted without authorization.

21. Quantum willfully and maliciously misappropriated DiscoverOrg's trade secrets by obtaining login credentials that were not issued to Quantum, accessing DiscoverOrg's computer systems without authorization, copying the information contained therein, and using that information for Quantum's financial gain.

22. DiscoverOrg has been damaged by Quantum's actions through the lost opportunity to realize licensing revenue and the diminution of the market value of its proprietary information. Quantum has been unjustly enriched by the use of valuable marketing and sales information without paying compensation and through the consummation of business transactions that would not have occurred without use of the stolen information. DiscoverOrg would, in the alternative, be entitled to a reasonable royalty for Quantum's use of the information.

23. By reason of the foregoing, Quantum is liable to DiscoverOrg for damages and unjust enrichment or a reasonably royalty, in an amount to be proven at trial. DiscoverOrg is also entitled to exemplary damages and its reasonable attorney fees. Finally, DiscoverOrg is entitled to an injunction preventing Quantum from continuing to possess or use information obtained from DiscoverOrg's database.

## **SECOND CLAIM FOR RELIEF**

**(Misappropriation of Trade Secrets - RCW 19.108.010 *et seq.*)**

24. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 23.

25. By reason of the foregoing, Quantum is liable to DiscoverOrg for damages and unjust enrichment or a reasonably royalty, in an amount to be proven at trial. DiscoverOrg is also entitled to exemplary damages and its reasonable attorney fees. Finally, DiscoverOrg is entitled to an injunction preventing Quantum from continuing to possess or use information obtained from DiscoverOrg's database.

# **THIRD CLAIM FOR RELIEF**

## **(Misappropriation)**

26. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 25.

27. DiscoverOrg gathers, organizes, generates, collects, and assembles in-depth, commercially-valuable information (including reporting structures, contact information, and other data) expending substantial time, labor, and expense.

8        28. Quantum intentionally and without permission, accessed and copied  
9 information from DiscoverOrg's database, used the stolen information for its own  
10 financial gain, and profited therefrom. Quantum has taken a "free-ride" on  
11 DiscoverOrg's skill, labor, and costly and substantial efforts in creating its commercially-  
12 valuable database.

13        29. Quantum's actions have damaged DiscoverOrg in the form of lost profits and  
14 diminution of the market value of its database. By reason of the foregoing  
15 misappropriation of DiscoverOrg's data, Quantum is liable to DiscoverOrg for  
16 compensatory damages including wrongfully derived revenues in an amount to be proven  
17 at trial.

**FOURTH CLAIM FOR RELIEF**  
**(Copyright Infringement)**

20       30. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1  
21 through 29.

22        31. DiscoverOrg's database is an original work of authorship containing  
23 copyrightable subject matter for which copyright protection exists under the Copyright  
24 Act. DiscoverOrg has filed for copyright registration with the United States Copyright  
25 Office in compliance with 17 U.S.C. § 101 et seq. DiscoverOrg's copyright was registered  
26 December 27, 2010 with registration number TX0007487999.

1       32. As owner of all right, title, and interest in and to the copyrighted works,  
 2 DiscoverOrg is entitled to all the exclusive rights and remedies accorded by Section 106 of  
 3 the Copyright Act to a copyright owner, including the exclusive rights to reproduce the  
 4 copyrighted works and to sell non-exclusive licenses to those copyrighted works.

5       33. Quantum has gained access to and made and used copies of DiscoverOrg's  
 6 copyrighted material without authorization or license from DiscoverOrg. Quantum used  
 7 those copies for Quantum's financial gain without compensating DiscoverOrg. In doing  
 8 so, Quantum has violated DiscoverOrg's exclusive rights of reproduction and  
 9 distribution.

10      34. At all relevant times, Quantum had the responsibility and the ability to  
 11 supervise and monitor the actions of its employees and agents, whose actions were  
 12 performed on its behalf and for its direct financial benefit and were within the scope of  
 13 their employment for Quantum.

14      35. With knowledge of the infringing activity, Quantum induced, caused,  
 15 facilitated, encouraged, and/or materially contributed to the infringing conduct.

16      36. Quantum's acts of infringement have been willful and intentional, in disregard  
 17 of and with indifference to the rights of DiscoverOrg.

18      37. As a direct and proximate results of the foregoing acts, DiscoverOrg has been  
 19 and will continue to be harmed. DiscoverOrg is entitled to its actual damages, including  
 20 any and all profits due to Quantum's wrongful conduct, or statutory damages.  
 21 DiscoverOrg is also entitled to its costs, including reasonable attorney fees.

## 22                   **FIFTH CLAIM FOR RELIEF**

### 23                   **(Violation of the Computer Fraud and Abuse Act)**

24      38. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1  
 25 through 37.

39. DiscoverOrg's computer system and database comprise "protected computers" within the meaning of 18 U.S.C. § 1030(e)(2).

40. Quantum, knowingly and with intent to defraud DiscoverOrg, accessed DiscoverOrg's protected computers without authorization and thereby obtained valuable information from such protected computers using interstate communication.

41. Quantum's actions constitute violations of 18 U.S.C. §§ 1030(a)(2)(C) and 1030(a)(4).

42. Quantum's unauthorized access of DiscoverOrg's computer system has caused loss to DiscoverOrg of more than \$5,000 in value.

43. By reason of the foregoing, DiscoverOrg is entitled to compensatory damages in an amount to be determined at trial pursuant to 18 U.S.C. § 1030(g).

## **SIXTH CLAIM FOR RELIEF**

## **(Trespass to Chattels)**

44. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 43.

45. DiscoverOrg owns a computer system that houses its proprietary electronic database. DiscoverOrg grants password access to this system only to its clients.

46. Quantum intentionally accessed DiscoverOrg's computer system without authorization and thereby interfered with DiscoverOrg's possessory interest in its computer systems.

47. As a result of Quantum's trespass to DiscoverOrg's computer system, Quantum caused damage to DiscoverOrg's database including, but not limited to, the diminution in the market value of DiscoverOrg's computerized data and information stored on such computer system. By reason of the foregoing, Quantum is liable to DiscoverOrg for compensatory damages in an amount to be proven at trial.

## **SEVENTH CLAIM FOR RELIEF**

### **(Unjust Enrichment)**

48. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 47.

49. Through Quantum's wrongful actions described herein, Quantum has been unjustly enriched through the use of DiscoverOrg's commercially valuable data without compensation to DiscoverOrg.

50. Quantum is therefore liable to DiscoverOrg to the extent of such unjust enrichment in an amount to be determined at trial.

## **EIGHTH CLAIM FOR RELIEF**

### **(Intentional Interference with Contract)**

51. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 50.

52. Quantum was aware that access to and use of DiscoverOrg's data was subject at all relevant times to restrictive license agreements between DiscoverOrg and its licensees prohibiting transfer to and use by third parties.

53. Quantum knowingly and wrongfully encouraged one or more licensees of DiscoverOrg's proprietary data to transfer the same to Quantum in violation of their license agreements.

54. Quantum's sole purpose in encouraging this breach of contract was to benefit from the commercial value of DiscoverOrg's data without compensation to DiscoverOrg.

55. Quantum unjustly profited from this breach of contract, and harmed DiscoverOrg by causing a diminution of the commercial value of DiscoverOrg's data.

56. By reason of the foregoing, Quantum is liable to DiscoverOrg for compensatory damages in an amount to be proven at trial.

## NINTH CLAIM FOR RELIEF (Negligence)

57. DiscoverOrg incorporates herein by reference the allegations in paragraphs 1 through 56.

58. At all relevant times, Quantum was under a duty to take reasonable care in training and supervising its employees and other agents acting on its behalf.

59. It was foreseeable that the failure to train and supervise employees and other agents regarding appropriate methods for obtaining sales and marketing information for the benefit of Quantum would harm a third party such as DiscoverOrg.

60. Quantum breached its duty when it failed to train and supervise its employees by allowing them in the unlawful conduct set forth in this complaint. In particular, Quantum failed to properly implement and enforce a policy prohibiting such conduct, as would be required of a reasonable entity.

61. As a direct and proximate result of Quantum's negligence, DiscoverOrg has suffered damage in the form of lost profits and diminution of the market value of its database. Quantum is liable to DiscoverOrg for compensatory damages in an amount to be proven at trial.

## PRAYER FOR RELIEF

WHEREFORE, DiscoverOrg prays for the following relief:

1. Entry of judgment in its favor and against Quantum on all counts;
2. Entry of judgment in its favor against Quantum on all of its Claims for Relief that Quantum's unlawful conduct was willful and knowing;
3. As to its First Claim for Relief, its actual damages and unjust enrichment or a reasonable royalty, in an amount to be proven at trial, exemplary damages, and its reasonable attorney fees;
4. As to its Second Claim for Relief, its actual damages and unjust enrichment or

1 a reasonably royalty, in an amount to be proven at trial, exemplary damages, and its  
2 reasonable attorney fees;

3       5. As to its Third Claim for Relief, compensatory damages in an amount to be  
4 proven at trial;

5       6. As to its Fourth Claim for Relief, actual damages in an amount to be proven at  
6 trial or statutory damages, plus costs including reasonable attorney fees;

7       7. As to its Fifth Claim for Relief, compensatory damages in an amount to be  
8 proven at trial;

9       8. As to its Sixth Claim for Relief, compensatory damages in an amount to be  
10 proven at trial;

11       9. As to its Seventh Claim for Relief, the amount to be proven at trial by which  
12 Quantum has been unjustly enriched;

13       10. As to its Eighth Claim for Relief, compensatory damages in an amount to be  
14 proven at trial;

15       11. As to its Ninth Claim for Relief, compensatory damages in an amount to be  
16 proven at trial;

17       12. Exemplary damages for Quantum's willful and knowing infringement, theft,  
18 and misappropriation;

19       13. Immediate and permanent injunctive relief enjoining Quantum from using  
20 DiscoverOrg's trade secrets, copyrighted materials, and misappropriated products or  
21 services;

22       14. An award of DiscoverOrg's costs of suit, including the costs of experts and  
23 reasonable attorneys' fees as permitted by law, for example pursuant to 18 U.S.C. § 1836  
24 *et seq.*, RCW 19.108 *et seq.*, and 17 U.S. Code § 505;

25       15. An award of pre- and post-judgment interest; and

26       16. Such other relief as the Court may deem just and equitable.

1 Dated: July 18, 2019

Respectfully submitted,

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4 s/ Nathan Durrance

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